Message Text

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INFO OCT-01 ARA-10 ISO-00 XMB-02 EB-07 ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01 /104 W

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P 180003Z JUN 77 FM AMEMBASSY MEXICO TO SECSTATE WASHDC PRIORITY 2930

CONFIDENTIAL MEXICO 10020

DEPARTMENT PASS EXIM FOR CRAFTON

E.O. 11652: AGDS 8-1-77 TAGS: ENRG, MX

SUBJECT: SCHLESINGER-DIAZ SERRANO-DE OTEYZA MEETING

REF: A) STATE 102447, B) MEXICO 09267, C) MEXICO 09707, D) MEXICO 08837, E) STATE 127892

- 1. AS DEPARTMENT AND FEA AWARE, AT REQUEST OF PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO (JDS), PRESIDENTIAL ENERGY ADVISOR SCHLESINGER HAS AGREED TO MEET WITH JDS AND SECRETARY OF THE NATIONAL PATRIMONY DE OTEYZA ON JUNE 27 AT 4:00 P.M. IT WAS NOT MADE CLEAR WHAT MEXICAN OFFICIALS WANTED TO DISCUSS.
- 2. SUBSEQUENTLY, IN A BRIEF ENCOUNTER AT A SOCIAL FUNCTION, CHARGE ASKED DIAZ SERRANO WHAT THE AGENDA FOR THE MEETING SHOULD BE. JDS REPLIED THAT HE HAD REQUESTED MEETING TO DISCUSS SCHLESINGER'S LETTER (STATE 127892).
- 3. SINCE MEETING REQUESTED HARDLY FITS "TECHNICAL EXPERTS" MEETING SUGGESTED BY SCHLESINGER, PETOFF MET WITH JAUREGUI CONFIDENTIAL

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TO ASK IF THERE WERE OTHER MATTERS PEMEX WISHED TO DISCUSS SINCE MANY OF POINTS RAISED IN DR. SCHLESINGER'S LETTER HAD ALREADY BEEN RESOLVED BY STUDIES MADE FOR PEMEX BY U.S. GAS TRANSMISSION COMPANIES. SEE REFS B, C, & D.

4. JAUREGUI SAID THEY WERE PREPARED TO COVER THE TENNECO REPORT ON POSSIBLE RATES OF OIL AND GAS PRODUCTION BY PEMEX

AND ALSO THE STUDY CURRENTLY BEING PREPARED BY TENNECO, TEXAS EASTERN, AND PEMEX ENGINEERS ON THE PIPELINES ROUTE AND DESIGN.

- 5. FINANCING OF PIPELINE COULD BE KEY SUBJECT SINCE THIS MAY DETERMINE SOURCES OF MUCH OF THE PIPELINE EQUIPMENT. DUE TO THE VERY RAPID SCHEDULE PEMEX HAS SET, U.S. BANKS AND EXIM WILL NEED TO MOVE VERY RAPIDLY IF WE ARE TO GET THE LARGEST SHARE OF THE CONTRACTS.
- 6. DE GOLYER AND MAC NAUGHTON STUDY WILL PROBABLY NOT BE COMPLETED BEFORE JUNE 27. HOWEVER, DIAZ SERRANO IS PREPARED TO DISCUSS AS MUCH OF ITS CONTENT AS IS KNOWN AT THE TIME OF THE MEETING.
- 7. JAUREGUI EMPHASIZED STRONGLY THAT PEMEX WANTS THIS MEETING TO TAKE PLACE OUTSIDE OF THE AUSPICES OF THE ECONOMIC WORKING GROUP OF THE U.S.-MEXICAN CONSULTATIVE MECHANISM. STATED REASON WAS TO AVOID BUREAUCRATIC ENTANGLEMENTS.
- 8. PETOFF PROMISED TO RELAY ANY FURTHER SUGGESTION ON AGENDA EITHER TO OR FROM WASHINGTON OR PEMEX.
- 9. NOTE: LIC. REYNALDO JAUREGUI IS PRIVATE SECRETARY TO DIAZ SERRANO. THOMPSON

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Message Attributes

Automatic Decaptioning: X Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: NATURAL GAS, FUEL OIL, INDUSTRIAL DEVELOPMENT, CONSTRUCTION, DIPLOMATIC DISCUSSIONS, PIPELINES

Control Number: n/a

Copy: SINGLE Sent Date: 18-Jun-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am Decaption Note:

Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 22 May 2009 Disposition Event: Disposition Event:
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO10020
Document Source: CORE

Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS Errors: N/A

Expiration:

Film Number: D770217-0918

Format: TEL From: MEXICO

Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1977/newtext/t19770642/aaaablai.tel

Line Count: 88 Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3f6d827a-c288-dd11-92da-001cc4696bcc

Office: ACTION FEA

Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 2
Previous Channel Indicators: n/a

Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 102447, 77 MEXICO 9267, 77 MEXICO 9707

Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags: Review Date: 28-Mar-2005 12:00:00 am

Review Event: Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2104546 Secure: OPEN Status: NATIVE

Subject: SCHLESINGER-DIAZ SERRANO-DE OTEYZA MEETING

TAGS: ENRG, MX, US, PEMEX, TENNECO, TEXAS EASTERN, (SCHLESINGER, JAMES R), (DIAZ SERRANO, JORGE)

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/3f6d827a-c288-dd11-92da-001cc4696bcc

Review Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009